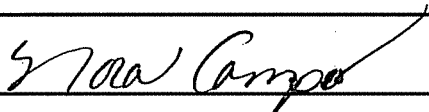


Memorandum

TO: Albert Balagso, PRNS Director **FROM:** Councilmember Nora Campos
SUBJECT: HEALTHY NEIGHBORHOOD VENTURE FUND **DATE:** January 11, 2010

Approved



Date

1/11/2010

During these extraordinarily tough financial times our valley is facing, nonprofit agencies throughout San José and Santa Clara County are facing financial challenges that, like in the private and public sectors, have required their organizations to become more resourceful and implement various cost-saving measures, such as operational restructures, transfer of programs to other organizations, or mergers, in order to continue to provide superb services and minimize the direct impact to their clients.

According to the Silicon Valley Council of Nonprofits (SVCN), several organizations have indicated that there has been a 20 percent drop in overall donations. Meanwhile, since last year, there has been a 20 percent increase in the demand for services, fueled by the many families that have been affected by the economic downturn. This funding gap has created a greater challenge for nonprofits in providing services to those seeking assistance, such as the poor, underserved, domestic and family violence victims, seniors, and youth.

As a result of a decline in donations and grants for nonprofits, SVCN is reporting that there are at least five nonprofit organizations that are working with other service providers to identify potential opportunities, such as mergers, consolidation and transition of services to new providers, which would ensure a minimal impact or disruption of services to clients. As existing Healthy Neighborhood Venture Fund (HNVF) service providers explore such opportunities, it is important that staff is engaged during the process.

Staff should consider formalizing a process that recognizes the unique circumstances of the challenging economic times by creating a policy that permits redirecting HNVF funds to a new service provider that is in the process of merging, consolidating, or transferring programs from an existing HNVF funded service provider in order to ensure effective delivery of services.

I would request this item be placed on the Healthy Neighborhood Leadership Committee February 2010 Agenda.

If you have any further questions regarding this matter, please contact Javier Gonzalez in my office at (408) 535-4948, or by email at javier.gonzalez@sanjoseca.gov.

Cc: Norberto Dueñas, Deputy City Manager